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ABSTRACT

This document contains three papers from a symposium on expanded roles for human resource development (HRD). "The Roles of Consultants in Gainsharing Firms: Empirical Results" (Eunsang Cho, Gary N. McLean) reports findings that consultants are moderately involved at the separation, preparation, evaluation, and design stages and have low involvement at the implementation stage. Organizational performance and compensation-related goal categories and suggestions, compensation, psychological ownership, internal customer, and organizational performance-related outcomes are significantly higher when consultants are used. "A Corporate University: An Initial Study" (Tim L. Wentling, Libin Wang, Ghazala Ovaice, Christopher Bober, Amanda Schulze) describes the programs, training methodologies, clientele, and staff of corporate universities. "Guiding Principles of Workforce Development (WFD)" (Reid A. Bates) describes a set of 10 principles, including the following: a WFD system provides an integrated, comprehensive education and training system; is built on the principle of partnership; is market-oriented; and is responsive to economic and social goals of community and to individuals. (YLB)

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Expanded Roles for HRD**Chair: Valeria Stokes, ACCO Corporation** 

The Role of Human Resource Development in Corporate Social Responsiveness:
A Critical Review

Tim Hatcher, University of Arkansas

The Roles of Consultants in Gainsharing Firms: Empirical Results

Eunsang Cho, Korean Research for Vocational Education and Training

Gary N. McLean, University of Minnesota

The Corporate University: An Initial Study

Tim L. Wentling, University of Illinois

Libin Wang, University of Illinois

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Christopher Bober, Hyatt Hotels

Amanda Schulze, Arthur Andersen

Guiding Principles of Workforce Development

Reid A. Bates, Louisiana State University



**ACADEMY OF
HUMAN RESOURCE DEVELOPMENT**

1998 Conference Proceedings

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The Roles of Consultants in Gainsharing Firms: Empirical Results

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Gainsharing consultants are moderately involved at the separation, preparation, evaluation and design stages, and have low involvement at the implementation stage. Organizational performance and compensation-related goal categories and suggestions, compensation, psychological ownership, internal customer and organizational performance-related outcomes are significantly higher when consultants are used. All 7 categories of goals and the corresponding outcomes had significant correlation. There were no significant differences in gainsharing goals and outcomes whether or not consultants were highly involved.

Gainsharing is a human resource management and development strategy that is designed to improve organizational processes and effectiveness, such as cooperation, communication, labor and management relations, quality, cost saving, productivity, and profits. The essence of gainsharing is that employees working on teamwork and/or employee involvement share financial gains with the company. If they surpass a stated target, a bonus would be paid based on a specified formula. Prototypes are the Scanlon, Rucker, and Improshare plans, although customized plans outnumber these prototypes. Despite the fact that the Scanlon plan was developed in the 1930s, it was not until the last decade that gainsharing in general became popular in industry and business.

Gainsharing plans are used to improve organizational processes and effectiveness and as a survival strategy to respond to external environmental changes. For example, Joe Scanlon developed the Scanlon plan as a mechanism to turn around financially troubled plants. A number of firms have become dependent on internal and external consultants to assist in this transformation process. A number of consulting firms specialize in gainsharing. However, there has been little research on the roles of consultants in gainsharing firms, especially the effects of consultants on organizational processes and effectiveness.

Problem Statement

The major question to be answered by the research was, "What are the roles played by gainsharing consultants, internal or external, in gainsharing firms? and what is their impact on organizational processes and effectiveness?" Several supporting questions were:

1. What are the roles and extent of involvement of gainsharing consultants at five different stages of the action research model—preparation, design, implementation, evaluation, and separation?
2. Is there a relationship between the use and involvement of consultants and the goals of gainsharing in firms
3. Is there a relationship between goal setting in gainsharing firms and the outcomes of gainsharing firms?
4. Is there a difference in the outcomes of gainsharing in firms based on the use and involvement of consultants?

Literature Review

In this literature review, the roles of consultants in gainsharing plans and other human resources management practices are examined, even if anecdotal and sporadic. There are a number of descriptive and/or qualitative studies on gainsharing plans in general. However, there is limited literature regarding the roles of consultants in firms that have implemented gainsharing, although hundreds of gainsharing plans have been installed by consultants, internal and external, who have assisted in the transformation process from traditional work environment to gainsharing environment.

Bullock and Lawler (1984) showed that more than two-thirds of the gainsharing cases they were able to identify utilized the services of an external consultant or interventionist and reported a sampling bias toward consultant-assisted plans. In his work on the operation and effectiveness of the Scanlon plan in a large manufacturing plant, Schuster (1984) found an abrupt positive change in productivity, followed by positive trends for two product lines as determined by regression analysis. The Scanlon plan paid consistent bonuses, and the production committees came up with more than 2,477 suggestions, of which 70% were implemented. According to Schuster (1984), the use of consultants is an essential element in organizational education before adoption of a Scanlon plan and in keeping members informed following implementation of the gainsharing plan. Further, consultants played a key role in explaining the gainsharing plan, answering questions, developing the bonus formula, monitoring the accuracy of the bonus calculations, and responding to requests for adjustments in the formula.

Frost, Wakeley, and Ruch (1996) explained the role of a consultant in the earliest stages of initiating the Scanlon plan as follows. A consultant is employed for organizing and helping management in conducting a series of meetings to inform all people in the organization of an overview of the Scanlon plan. The consultant is instrumental in gaining the confidence of all members of the organization and utilizing this trust-building to assist all members in expressing and discussing their concerns, doubts, hopes, and desires. In sum, the above research review, even if anecdotal, suggests that consultants are important in the initial preparation, design, and implementation stages of gainsharing plans.

Other scholars see a connection between the use of consultants and program success or the improvement of organizational performance. Bullock and Tubbs (1990), using a case meta-analysis based on data which were derived from 33 case studies of gainsharing plans implemented over 50 years, found that, for firms utilizing external consultants, gainsharing had significantly greater overall impact and greater impact on organizational effectiveness, innovation, and labor-management cooperation. By utilizing survey data from managers at 269 gainsharing plans in the U.S. and Canada, Kim (1996) examined factors influencing outcomes of gainsharing. The regression analysis showed that the use of a consultant was instrumental in improving organizational effectiveness, especially product quality.

Similarly, for employee involvement programs and quality of work life programs, there exists limited literature regarding the roles of consultants. Some scholars have emphasized that consultants are critical to the design and implementation stages of the program. Lawler and Drexler (1978) placed an emphasis on qualified consultants in designing cooperative quality of work life projects. Based on a diverse group of 236 employee involvement programs in Pennsylvania, Juravich, Harris, & Brooks (1993) indicated that consultants were extremely important to their initial efforts to establish employee involvement programs in both unionized and non-unionized firms. One-third of the unionized firms and slightly fewer of the non-unionized firms continued to use consultants in their ongoing employee involvement programs. They reported that consultants are extremely important to employee involvement. Nadler, Hanlon, & Lawler (1980) used the data collected from participants in 16 labor-management committees. They found a positive association between the use of consultants and the success of labor-management quality of work life projects because outside consultants were considered critical in establishing trust between employees and management by the labor-management committee members. Doherty, Nord, and McAdams (1989) suggested that consultants as change agents might serve as a valuable resource in improving organizational performance. To them, the critical skills of gainsharing consultants were to integrate the process skills of OD with the rewards orientation, measurement systems, and design capabilities related to gainsharing. For employee participation programs in unionized settings, Eaton (1994) found that consultants were used in over half of the organizations, and the use of consultants had a positive but weak association with program success.

Regarding the roles of internal consultants, Bushe (1988) indicated that good internal facilitators played a factor in differentiating the successfully implemented programs from the terminated programs. While there were several anecdotal remarks, there was little empirical information on the roles of consultants under gainsharing plans, and no research has been done on the specific roles of consultants in gainsharing firms and their impact on organizational processes and effectiveness.

In sum, consultants have been found to be valuable resources in the design and implementation stages of gainsharing. The roles of consultants are organizing and helping management in conducting meetings to inform organizational members of gainsharing, including developing the bonus formula, monitoring the accuracy of the bonus calculations, and responding to requests for adjustments in the formula. In this way, they are instrumental in gaining trust between employees and management. Research supports a positive association between the use of consultants and organizational effectiveness.

Research Methodology

This section discusses the population and sample of this research; instrumentation of a mail survey for both management and consultants, including validation of instruments; administration of instruments; and the data collection method.

Population and Sample The research participant group included either top management (CEO, President, Chairperson, CFO, or Vice President of Human Resources) or persons in charge of gainsharing, such as director of human resources, human resources manager, gainsharing coordinator, or director of education of gainsharing firms, as well as internal and/or external consultants, depending on whether consultants were utilized or not. The total population of gainsharing firms may consist of about 2,000, according to an estimate done by the AMA (Imberman, 1992). However, the accessible population of gainsharing firms collected in a number of different ways for this study was 398. A significant portion of the list of 398 accessible gainsharing firms with contact persons was collected through information provided by external gainsharing consultants. Other gainsharing firms with contact persons, company names, and addresses were identified after matching them with those of the Dun & Bradstreet business directory (*D & B...*, 1997) and the Infotrac system at the University of Minnesota library. As a result, a mailing list with 288 contact persons, company names, and addresses was created. Although there was no research on whether consultants assisted in implementing gainsharing or not, more firms using consultants were identified than those not using consultants, resulting in the possibility of a sampling bias favoring consultant-supported interventions. The survey was mailed to all 288 names on the list.

Instrumentation Two interrelated mail survey questionnaires were developed, one for management and the other for consultants. The survey questionnaire for management was developed based on the target data composed of gainsharing features, goals of gainsharing plans, outcomes of gainsharing plans, firm characteristics, and the roles and skills of consultants. The survey questionnaire for consultants was developed with a focus on the roles and skills of consultants.

Validation of the Instruments The questionnaires were checked for validity by a panel of experts who reviewed the survey questionnaires. This group was asked for feedback on content, design, clarity, and time spent on filling out the questionnaire, as well as checking for its difficulty level. Internal consistency of the survey was determined by using Cronbach's coefficient alpha (Borg & Gall, 1989). Of the seven goals categories; compensation (.82), work smarter (.84), suggestions (.84), internal customer (.80), and psychological ownership (.87) were considered to have moderate Cronbach alphas, while organizational performance (.62) and work harder (.69) had lower Cronbach alphas. Among seven outcomes categories, the Cronbach alphas for organizational performance (.86), work smarter (.88), compensation (.89), suggestions (.89), psychological ownership (.93), and internal customer (.85) were moderate; with lower alpha for the work harder category (.73).

Administration of the Instruments and Data Collection The first survey questionnaires were mailed on April 28, 1997. Two follow-up mailings were sent to nonrespondents. In about two weeks, a follow-up post card reminder was sent to the non-respondents. In about four weeks after the initial mailing, a second follow-up mailing was mailed to the managers who had not responded by that time. Responses were received from 86 firms as a result of the three mailings, for a 29.9% response rate. After receiving completed surveys from the companies, survey instruments were mailed to the 16 consultants

used by the 63 gainsharing companies that used gainsharing consultants. Fifteen gainsharing consultants (93.8%) responded to the questionnaire. Statistical analysis, including t-tests and factor analysis, were used to summarize and analyze the data collected.

Results and Conclusion

The findings from the analysis of the data provided by the 86 managers in gainsharing firms and 15 gainsharing consultants in the U.S. are reported.

Demographic Information All but one of the 15 gainsharing consultants (93%) were male, 13 (86.7%) were over 40, and 12 (80%) had a graduate degree. Eleven (74%) gainsharing consultants had more than 10 years' consulting experiences, and 12 (80%) had consulted with more than 30 firms. While 13 gainsharing consultants (86.6%) were process consultants, only 2 (13.4%) had an off-the-shelf product, and 4 (27%) were familiar with an action research model.

The Extent of Involvement of Gainsharing Consultants The roles and extent of involvement of gainsharing consultants at the stages of preparation, design, implementation, evaluation, and separation were examined. Gainsharing consultants were moderately involved at the separation (mean=3.57), preparation (M=3.31), evaluation (M=3.20), and design (M=3.12) stages, and had low involvement at the implementation stage (M=2.81).

Categorization of Goal Items In order to simplify the analysis by explaining the relationships among goal items, factor analysis was used. To determine the number of factors, the Kaiser-Guttman criterion and an interpretation of the factor analysis with an oblique rotation were used. Seven factors—organizational performance, work smarter, work harder, compensation, suggestion, psychological ownership, and internal customer—were identified and named by interpreting common characteristics of the categorized items.

The Importance of Gainsharing Goals by the Use of Consultants The importance of the gainsharing goals by the use of consultants was examined. The results of t-tests showed that organizational performance and compensation-related goal categories are significantly higher when consultants are used at $p < .05$. The itemized t-tests showed that reducing turnover in the work harder category; linking pay to performance in the compensation category; encouraging cost saving suggestions in the suggestions category; and fostering teamwork, actively involving employees, and improving communication in the psychological ownership category are significantly higher when consultants are used at $p < .05$. Increasing the ratio of employee bonus to total compensation in the compensation category is significantly higher when consultants are used at $p < .01$.

The Importance of Gainsharing Goals by Consultant Involvement The importance of gainsharing goals based on consultant involvement was also explored. The results of t-test analyses showed no significant differences of goals whether consultants were highly involved or not. However, itemized t-tests showed that improving product quality, satisfying external customers, and improving processes in the work smarter category are significantly higher when consultants are highly involved at $p < .01$. Fostering teamwork and making employees stakeholders in the organization in the psychological ownership category, and satisfying internal customers and overcoming resistance to change in the internal customer category are also significantly higher when consultants are highly involved at $p < .05$.

Gainsharing Goals and Gainsharing Outcomes Correlations between the importance of gainsharing goals and the success of the corresponding gainsharing outcomes were examined. All seven categories of goals and the corresponding outcomes had significant correlations at $p < .01$. The internal customer goals and outcomes had the highest correlation coefficient (.98), although it is difficult to explain exactly why. It is followed by the correlation between work smarter goals and outcomes (.64), and psychological ownership goals and outcomes (.56) at $p < .01$. Work harder had the fewest significant correlations.

Categorization of Outcome Items To determine the number of factors among the outcome items, the Kaiser-Guttman criterion and an interpretation of the factor analysis with an oblique rotation were used, though the results were not exactly the same. The same seven factors as the goal categories were identified by interpreting common characteristics of the categorized outcome items.

The Success of Gainsharing Outcomes by the Use of Consultants The success of gainsharing outcomes by the use of consultants was addressed. In order to compare the outcomes when the consultants were used and when they were not used, t-tests were conducted. Suggestions-related outcomes and organizational performance-related outcomes were significantly higher when consultants were used at $p < .01$. Compensation, psychological ownership, and internal customer-related outcomes were significantly higher when consultants were used at $p < .05$. Itemized t-tests showed that improving organizational performance and improving labor productivity in the organizational performance category; linking pay to performance and making labor costs more viable with the organization performance in the compensation category; making employee suggestions more productivity or quality oriented in the suggestions category; improving job interest in the psychological ownership category; reducing entitlement mentality and overcoming resistance to change in the internal customer category are significantly higher when consultants are used at $p < .01$. Improving processes in the work smarter category; encouraging people to work harder and reducing turnover in the work harder category; becoming more competitive in total compensation in the compensation category; encouraging cost saving suggestions in the suggestions category; actively involving employees, making employees stakeholders in the organization, improving communication, and improving morale in the psychological ownership category; and encouraging intrapreneurship in the internal customer category are significantly higher when consultants are used at $p < .05$.

The Success of Gainsharing Outcomes by Consultant Involvement A comparison of the gainsharing outcomes when consultants were highly involved and when consultants were less involved was made. The findings of t-tests showed that there were no significant differences of gainsharing outcomes whether consultants were highly involved or not. However, itemized t-tests showed that improving labor productivity in the organizational performance category; improving processes in the work smarter category; improving employee compensation and making labor costs more viable with organizational performance in the compensation category; actively involving employees, making employees stakeholders in the organization, improving communication, and enhancing cooperation among employees in the psychological ownership category; and reducing grievances in the internal customer category are significantly higher at $p < .01$. Improving organizational performance in the organizational performance category; using materials, supplies, and equipment more effectively in the work smarter category; becoming more competitive in total compensation in the compensation category; making employee suggestions more productivity or quality oriented and encouraging cost saving suggestions in the suggestions category; and fostering teamwork in the psychological ownership category are higher when consultants are highly involved at $p < .05$.

Contributions to Human Resource Development

As part of this research, an integrated model (Cho & McLean, 1997) was developed by combining an action research model (McLean & Sullivan, 1989, cited in Rothwell, Sullivan & McLean, 1995) with a gainsharing model (Hammer, 1988) to guide consultants, internal and external, and practitioners at different stages of gainsharing installation. The integrated model served as the foundation for the development of the survey questionnaire by explaining possible roles of consultants in gainsharing at different stages of consultant involvement, such as preparation, design, implementation, evaluation, and separation. The survey was designed to validate the integrated model around the roles of consultants in gainsharing, which eventually will enhance understanding of the roles of consultants. The research results based on mailed questionnaires will help consultants provide appropriate advice and feedback to clients at different stages so that gainsharing plans can be designed, implemented, and evaluated successfully.

According to goal setting theory, goal setting itself is critical in improving task performance (Locke & Latham, 1990). Although there are a number of studies investigating the relationship between goals and performance at the individual level, very little has been done to examine the association between goals and organizational performance. An exception is Terpstra and Rozell's (1994) work. In the present research, the correlation between goal setting and organizational performance in a teamwork environment was examined, leading to conclusions that goals are, in fact, significantly related to outcomes. Such a

finding suggests that further experimental research might well support the importance of setting goals for the improvement of performance outcomes. Furthermore, the impact of the use and involvement of consultants on gainsharing goals and outcomes in firms was investigated, suggesting that there are a significant number of both goals and outcomes that are positively impacted through the use of consultants. This study also provides information on the impact of the use of consultants and the degree of consultant involvement on gainsharing goals and outcomes in gainsharing firms. This research will provide managers and practitioners with practical advice and guidance when they are involved in planning, implementing, and evaluating gainsharing in their own organizations. Finally, the empirical results of the study can serve as a guide for top management's strategic decision making.

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The Corporate University: An Initial Study

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The purpose of this study was to study the characteristics of corporate universities. Specifically, it attempted to describe the programs, training methodologies, clientele, and staff of corporate universities. This study is based on a survey of HRD practitioners of American Fortune 500 companies. Comparisons are made between training centers of companies that were labeled as "corporate universities" and those that were not.

"Corporations are becoming one of the largest institutions for education and training" (Watkins & Bellinger, 1996). Many corporations have established their own campuses to equip their employees with the knowledge and skills necessary to keep a competitive edge. Many of these campuses are called "corporate universities." Main reasons for proliferation of the corporate universities are dissatisfaction with university curricula, a desire to control what is taught, and frustration by academics' misunderstanding of the "real world" (King, 1996).

With the fast growth of corporate universities, there is no consensus over the definition and components of corporate university since its origin. "The individual corporation school, the predecessor of the modern corporate classroom, ... began at least as early as 1872, had no uniform structure" (Eurich, 1985, p. 36). The names of corporate universities also vary. According to Eurich (1985), some corporate campuses were also labeled "college, university, institute, or education center." In some states such as Texas and Florida, the terms "university" and "college" can not be legally used for a non-accredited educational facility (Densford, 1996).

The institutions that fall into the category of "corporate university" have grown from around 400 in 1990 to more than 1,000 in 1996 (Meister, 1996). However, research on the corporate university has lagged behind development and practice. In review of literature only one book, one journal and three dissertations relevant to corporate university were identified. The only book was titled *Corporate Quality Universities: Lessons in Building a World-Class Workplace* (Meister 1994). The author of the book studied the organizing principles, training programs, methodologies, and outreach of 30 corporate universities. According to her opinion, these 30 universities performed best and she called them "corporate quality universities." She especially used the term "corporate quality university" and gave the definition to distinguish these universities from other corporation campuses labeled college, university, institute, or education center. The non-academic journal, *Corporate University Review* does not give a definition on corporate university. An on-line dissertation search from 1978-1996, reveals only 3 dissertations relevant to corporate universities. The first dissertation studied the evolution of degree programs in four corporate universities (Register, 1991). The second investigated the development of the National Technological University (Mays, 1988). The third conducted an evaluation of training programs in Hamburger University (Watson, 1985). The three dissertations only studied specific corporate universities, and two of them studied the universities with degree-programs. The overall study of non-degree corporate universities is not available.

Many questions are left unanswered regarding corporate universities, such as: how many corporations have corporate universities? What makes corporate universities unique? What are the differences of various names as "university, college and institute?" Lack of overall research and varieties of the names on corporate university can lead to different understandings of this concept. "Claims for multiple definitions suggest that the field values not having a general definition, while at the same time it languishes from a lack of public recognition" (Newsom, 1992, p. 31). The corporate university needs a common definition to communicate its existence to the public, and allow professionals to input their interest and expertise. Therefore, the definition of corporate

university or similar corporate campuses that meet the criteria of corporate university should be clarified, and the potential differences among these universities, colleges, institutions, and educational centers should be identified.

Purpose of the Study

The purpose of this study was twofold: 1) to describe the characteristics of corporate universities or corporate campuses that fall into the "corporate university" category. Specifically, to report on the programs, clientele, staff and to interpret the functions at corporate universities. 2) To get a list of corporate universities of American Fortune 500 corporations to build a foundation for further study on corporate universities.

Research Questions. This study is guided by six research questions:

1. Does the organization have a corporate university or a separate entity that is responsible for corporate training and education?
2. What are the location, organizational structure and staff composition of corporate universities and training/education entities?
3. What types of programs are offered in corporate universities or training/education entities?
4. Who are the clientele?
5. What methods are used to deliver training?
6. What is the primary funding source for corporate universities or training/education entities?

Significance of the Study. This study has revealed the general characteristics of corporate universities and thereby advances the knowledge in this field. This study was based on a survey of Fortune 500 corporations, which are assumed to be models for training and education. Their practices in corporate universities may make HRD (Human Resource Development) professionals aware of the trend of this field.

The findings of this study have implication for University HRD professional preparation programs regarding what kinds of skills and knowledge should be incorporated into the academic preparation of HRD professionals. The information on corporate universities from this study can be used by corporate leaders to assess and think strategically about their educational entities.

Method

This study utilized descriptive survey research. To cover a large population and geographic scope, a questionnaire was developed to facilitate answering the key questions.

Subjects. The population of this study were American corporations. The sample were all American 1996 Fortune 500 corporations because "large firms are more likely to implement and sustain formal company training programs" (Carnevale & Carnevale, 1994, p. 27). The HRD managers in these Fortune 500 corporations were chosen as questionnaire respondents. The list of Fortune 500 corporations was found in 1996 Fortune Magazine. The names and addresses of HRD managers from Fortune 500 corporations were mostly obtained from the American Society for Training and Development (ASTD) Membership Directory 1996. These professionals were identified with titles such as "training coordinator," "HRD manager," "training and development coordinator," and so forth. In cases of corporations without members listed in the ASTD Membership Directory, the questionnaire was sent to "the Director of Training" of the corporation.

Instrumentation. A questionnaire was developed to address research questions and support in collecting data. A brief instruction on how to complete the questionnaire was included in the instrument. The instrument basically consisted of multiple choice questions regarding the organizational structure, staff composition, programs, clientele, and methods of training delivery in corporate universities or training/education entities. Types of training programs, recipients of training and methods for training delivery, were identified from an article in *Training Magazine*, "1996 Industry Report: Who's Learning What?" Another article, "Models for HRD Practice" (McLagan, 1989) was used to identify staff positions in training entities. Based on the two articles, the researchers selected the most commonly existent types and positions with the aid of literature review in related fields. Respondents were asked to check all that apply. A dichotomous variable (yes/no) question was used to determine the existence of corporate universities or training/education

entities. A final open-form question allowed respondents to comment and to provide additional information on their universities or entities.

Face validity of the instrument was accounted for through an expert review in March 1997. Draft copies of the instrument and cover letter were revised by the research supervisor and other faculty in Department of Human Resource Education at University of Illinois at Urbana-Champaign. The main purpose of expert review was to obtain reactions and suggestions regarding the instrument items and layout.

Data Collection. Each survey instrument was numerically coded to allow the researchers to monitor which corporations responded. A stamped, self-addressed questionnaire, along with a personally addressed cover letter explaining the importance and purpose of the study, were mailed to the subjects in April of 1997. An offer to mail a summary of the results to the respondents was made in the cover letter to increase the response rate. Forty-nine completed questionnaires were returned after the initial mailing. Follow-up questionnaires and cover letters were mailed to the non-respondent corporations one month after the initial mailing. To increase the response rate, the uniform addressee title "director of training" replaced the personal names of HRD staff of corporations in the initial mailing. Forty-two follow-up questionnaires were returned. In total, ninety-one questionnaires were returned and the final response rate was 18.2%. Ninety of the ninety-one returned questionnaires were usable. The unusable one only indicated that a training/education entity existed, but did not provide any other information because they had a very decentralized training function according to the respondent.

Data Analysis. Collected data were analyzed both quantitatively and qualitatively. All results were differentiated between the corporations who stated that they had corporate universities and those who had training/education entities, to observe different characteristics of the two.

A microcomputer was used to determine how the respondents distributed the response alternatives for each quantitative question. Accordingly, the mean, standard deviation, frequencies and percentages of the data were calculated. The frequencies were ranked to identify their relative importance. Answers on open-ended questions were summarized, categorized, and analyzed for emergent themes.

Results

The major findings of this study were organized by research questions and are presented as follows.

Research Question 1: Does the company have a corporate university or a separate training/education entity that is responsible for employees' training and education?

One purpose of this survey was to get a list of corporate universities in Fortune 500 corporations. Table 1 shows the existence of corporate universities and training/education entities within the responding Fortune 500 corporations. A total of 91 returned questionnaires, 18 corporations (19.8%) stated that they had corporate universities, 59 corporations (64.8%) stated they did not have corporate universities but separate training/education entities, 14 corporations (15.4%) stated that they had neither corporate universities nor training/education entities.

Table 1. Numbers of Corporations With or Without Corporate Universities or Training/Education Entities (N=91)

	Number	Percentage
Corporate University	18	19.8
Training/Education Entity	59	64.8
None	14	15.4

Table 2 shows a list of 19 corporate universities. One corporation had two universities (see Table 2, No. 10), the rest had one for each. Twelve of these 19 corporate universities had names which included the word "university," the rest had labels like institute, academy, and center. The majority of these universities also included the corporate names in the university names.

Table 2. List of Corporate Universities

Name List of Corporate Universities	
1. Republic University	11. Los Angeles Times Management Institute
2. First University	12. Caterpillar Training Institute
3. Five Star University	13. Baxter Institute for Training and Development
4. Supervalu University	14. Graybar Training
5. Spartan Stores University	15. PM Academy
6. University of Excellence	16. Quality Academy
7. Quaker University	17. Career Development Center
8. Hamburger University	18. Micron Training and Education Center
9. Office Depot University	
10. Medical Management University Sales and Marketing University	

Research Question 2: What are the location, organizational structure and staff composition of corporate universities and training/education entities?

The results of research question 2 were organized into three sections: location, organizational structure, and staff composition.

Location. Table 3 reveals whether corporate universities and training/education entities were located within company headquarters, or had one or more separate sites. Approximately 61% of corporate universities and 72% of training/education entities were located within corporate headquarters. Around 39% of corporate universities and 31% of training/education entities had multiple sites. Only 5.6% of corporate universities and 6.9% of training/education entities had one separate site.

Table 3. Location of Corporate Universities (n=18) and Training/Education Entities (n=58)

Location	Corporate University		Training/Education Entity	
	f	%	f	%
Company Headquarters	11	61.1	42	72.4
One Separate Site	1	5.6	4	6.9
Multiple Sites	7	38.9	18	31

Organizational Structure. Three respondents reported their unusual style of sub units. One respondent from a training/education entity stated that all their sub units were purchased from outside. Another respondent from another training/education entity described their sub units like this: "The work is integrated into a team environment where there are content program areas, logistics business management, and access methods." One respondent from a corporate university reported that their sub units were organized by the specific departments they supported.

Some of those universities or entities without sub units had only 1-3 staff holding positions like director, manager, or organizational development professional. These limited staff usually assumed multiple responsibilities regarding training such as instructor, evaluator, and technology specialist. However, other universities and entities without sub units still had a variety of staff compositions.

Table 4 reveals the types of the sub units of training/education entities and corporate universities with frequencies of more than 2.

Staff Composition. Table 5 shows the mean and standard deviation of various positions held by training staff in corporate universities and training/education entities. One staff member could hold more than one position. The respondents were asked to report the full-time equivalent staff.

The positions relevant to instruction, such as instructors and instructional designers, were held by more staff members than others. Corporate universities on average had 8.1 instructors and 4.6 instructional designers. Training/education entities on average had 11.6 instructors and 4.2 instructional designers. The positions held by 1-3 staff members in corporate universities included: evaluators, OD professionals, and marketers. The positions held by less than one staff member were HRD manager, technology specialist, and performance consultant. Training/education entities had more positions held by 1-3 staff.

Table 4. Types of Sub Units of Corporate Universities (n=18) and Training/Education Entities (n=58)

Sub Units	Training/Education Entities	Corporate Universities
	f	f
Management Development	13	3
Technical Training	12	2
Instructional Design	11	6
Consulting	5	4
Employee Development	5	
Administration	4	
Course Development	4	
Learning Center	4	
Marketing	4	2
Technology	4	2
Career Development/Planning	3	
Computer Training	3	
Evaluation	3	3
HRD	3	
Leadership Development	3	2
Professional Development	3	
Quality Training	3	
Training	3	
Computer-based Training	2	
Diversity Training	2	
HR Planning	2	
Operations	2	
Organizational Development	2	
Records/Documentation	2	
Systems Training	2	
Systems Support	2	
Videosupport	2	
Delivery		4

Table 5. Number of Staff in Corporate Universities (n=18) and Training/Education Entities (n=58)

Position	Corporate University		Training/Education Entity	
	M	SD	M	SD
Evaluator	2.6	9.4	1.6	6.26
OD professional	1.6	2.5	2.4	5.46
Instructor	8.1	12.8	11.6	33.57
Marketer	2.6	9.4	0.7	4.24
Instructional Designer /Curriculum Developer	4.6	9.5	4.2	8.7
HRD Manager	0.5	0.6	2.4	7.34
Technology Specialist	0.5	0.97	1.7	4.73
Performance Consultant	0.8	1.4	2.3	7.87

The high standard deviation for each position indicated the high variability in terms used as titles for these positions. Some other positions were rarely mentioned by corporate universities and training entities. For example, corporate universities mentioned registrar and director of training, while training/education entities mentioned many more positions such as training officer, training administrator/manager, administration assistant, supervisor, career development specialist and brokers of training.

Two respondents also reported the situation of their part-time staff. In one corporate university, there were around 100 part time or contract staff against 13 full-time staff.

Multiple responsibilities assumed by one person were also reported by four respondents. One respondent of a training/education entity stated: "I do it all." This respondent worked as an evaluator, an organizational development professional, an instructor, and an instructional designer. Another training/education entity reported that it had 32 members of staff who perform 7 positions each. One respondent from a corporate university indicated that all of their 40 instructors also worked as evaluators, marketers, and instructional designers.

Research Question 3: What types of courses are offered in corporate universities or training/education entities?

Table 6 reflects the types of training programs delivered by corporate universities and training/education entities. The training programs with significant difference in rank or percentage between corporate universities and training/education entities were highlighted.

Compared with training/education entities, corporate universities placed much more emphasis on communication skills, customer relations/services, new methods/procedures, and personal growth, and less on sales and customer education.

Communication skills, management development, and supervisory skills were the most popular programs provided by both corporate universities and training/education entities.

The training programs with the highest percentage provided by training/education entities were management development and supervisory skills. The one with the highest percentage by corporate universities was communication skills. The least offered programs by training/education entities were clerical/secretarial skills and wellness. Corporate universities were the lowest for customer education and wellness.

Table 6. Types of Training Courses Offered in Corporate Universities (n=18) and Training/Education Entities (n=58)

	Corporate University			Training/ Education Entity		
	f	%	rank	f	%	rank
Communication Skills	18	100	1	47	81	3
Customer Relations/Services	17	94.4	2	37	63.8	6
Management Development	16	88.9	3	50	86.2	1
Supervisory skills	15	83.3	4	50	86.2	1
New Methods/Procedures	14	77.8	5	27	46.6	9
Technical Skills	14	77.8	5	47	81	3
/Knowledge						
Basic Computer Skills	12	66.7	7	41	70.7	5
Personal Growth	12	66.7	7	30	51.7	8
Executive Development	8	44.4	9	26	44.8	10
Employee/ Labor Relations	7	38.9	10	18	31	12
Sales	7	38.9	10	31	53.4	7
Safety	6	33.3	12	22	37.9	11
Remedial/Basic Education	4	22.2	13	12	20.7	14
Clerical/Secretarial Skills	4	22.2	13	11	19.0	15
Wellness	3	16.7	15	11	19.0	15
Customer Education	2	11.1	16	14	24.1	13

Research Question 4: Who are the recipients of the training?

Table 7 presents the results of beneficiaries of the training programs offered by corporate universities and training/education entities, which reflected that corporate universities and training/education entities had a similar constitution of recipients of their training programs. Managers were the first majority group of training recipients by both institutions, followed by professionals, customer service personnel, clerical and support staff. In both institutions, vendors and customers received the least training.

Table 7. Types of Recipients of Training Courses in Corporate Universities (n=18) and Training/Education Entities (n=58)

Recipients	Corporate University			Training/Education Entity		
	f	%	rank	f	%	rank
Managers	17	94.4	1	53	91.4	1
Professionals	17	94.4	1	47	81	2
Customer Service Personnel	15	83.3	3	44	75.9	3
Clerical & Support Staff	14	77.8	4	43	74.1	4
Sales Professionals	12	66.7	5	33	56.9	6
Executives	11	61.1	6	28	48.3	7
Production Workers	10	55.6	7	37	63.8	5
Vendors/Suppliers	5	27.8	8	9	15.5	9
Customers	5	27.8	8	15	25.9	8

Research Question 5: What methods are used to deliver training?

Table 8 reveals the kinds of training methods used in corporate universities and training/education entities. Corporate universities and training/education entities had very similar preferences for training methods. Lectures, videotapes, games, role play, one-on-one instruction, and case studies were checked by both institutions as the most popularly utilized training methods. However, lectures were the first training delivery method by corporate universities and video tapes and role play were the first methods utilized by training/education entities.

The training delivery methods which have relatively higher requirement for technology and facilities, were the least utilized. Computer conferencing, films, and interactive video, were least utilized by corporate universities. Computer conferencing, teleconferencing (audio only), and Internet or web-based training were least utilized by training/education entities. In terms of percentage, training/education entities had much higher percentage in CD-ROM, interactive video, and films, as highlighted in Table 8.

Table 8. Training Methods in Corporate Universities (n=18) and Training/Education Entities (n=58)

	Corporate University			Training/Education Entity		
	f	%	rank	f	%	rank
Lectures	17	94.4	1	50	86.2	3
Videotapes	16	88.9	2	53	91.4	1
Games/Simulations	16	88.9	2	48	82.8	4
Role Play	15	83.3	4	53	91.4	1
One-on-one Instruction	15	83.3	4	48	82.8	4
Case Studies	15	83.3	4	48	82.8	4
Computer-based Training	15	83.3	4	43	74.1	7
Self-assessment	12	66.7	8	35	60.3	8
/Testing Instruments						
Non Computerized Self-study Programs	12	66.7	8	34	58.6	9
Audio tapes	9	50.0	10	27	46.6	11
Multimedia	8	44.4	11	25	43.1	12
CD-ROM	7	38.9	12	34	58.6	9
Slides	7	38.9	12	24	41.4	13
Video Teleconferencing	6	33.3	14	18	31	14
Internet or Web-based	4	22.2	15	15	25.9	17
Teleconferencing (audio only)	3	16.7	16	7	12.1	18
Interactive Video	2	11.1	17	18	31	14
Films	1	5.6	18	17	29.3	16
Computer Conferencing	1	5.6	18	4	6.9	19

Research Question 6: What is the primary funding source for corporate universities or training/education entities?

Table 9 shows the sources of funding for corporate universities and training/education entities. The two types of institutions had very similar order of funding sources. Corporate budgets were their most important funding source. The second source was from business units. Charges from customers only constituted a minor funding source.

Table 9. Primary Funding Source of Corporate Universities (n=18) and Training/Education Entities (n=58)

	Corporate University		Training/Education Entity	
	number	%	number	%
Corporate Budget	11	61.1	42	72.4
Business Units	6	33.3	20	34.5
Customers	1	5.6	3	5.2
Others	0	0	1	1.7

Comments on Corporate Universities and Training/Education Entities. The final open-ended question asked respondents to give their comments or pertinent information regarding their corporate universities and training/education entities. Thirteen respondents wrote their comments which were quoted and grouped as follows:

1) *Decentralization of corporation's training functions.* Four training/education entities, one corporate university, and one corporation without corporate campus stated that they had decentralized training functions. One respondent stated like this: "Training is very fragmented in our company, various groups or departments have their own training functions."

2) *"Virtual" nature of corporate university.* Two respondents from two corporate universities reported that their universities were not physically existent. One respondent stated: "Quaker University is a 'virtual' organization in which reactively changes with business needs." Another respondent stated: "The two universities are 'virtual' in nature. They are more about process than a physical place. They also are founded on principles of human performance technology."

3) *Expressing interest in the concept of "corporate university".* One corporate university, one training/education entity, and two corporations without corporate campuses expressed their interest in the concept of "corporate university."

4) *Description of the changing situation.* Three respondents, one of them from a corporate university, mentioned that their entities or universities have been or will be affected due to the changes that took place in the organization. One respondent stated: "Currently undergoing major downswing, situation of training to change."

Discussion and Implications

This study served as the first survey of the status of corporate universities of all Fortune 500 corporations. The results of this survey can be used as baseline data for future study in this field. The comments given by respondents in open-ended questions also addressed a need to study this field.

According to the results of this study, the numbers of corporate universities is less than expected. The majority (64.8%) of the corporations with corporate campuses did not label their campuses as corporate universities.

Corporate universities had lower percentage of headquarters sites and higher multiple sites than training/education entities. And, corporate universities had lower proportion of funding sources from corporate budget than training/education entities. This may suggest the higher decentralization of training functions in corporate universities than in training/education entities.

Corporate universities had much less variety of types of sub units. This is consistent with the fewer types of staff in corporate universities than in training/education entities. As for types of sub units and staff, corporate universities tended to have types related to instruction, evaluation, and marketing. The higher diversity of these types in training/education entities may suggest the more flexibility of the setting of these sub units and positions to fit different corporation needs than training/education entities.

The results also indicated that the Fortune 500 corporations did not have a large quantities of personnel especially considering the size of the organization. On average these universities or entities had 20-30 positions and many of these positions could be held by one staff member. The size of the personnel also vary largely among different universities and entities. This implies that HRD professionals should be equipped with versatile, flexible, and relevant knowledge and skills in order to work in different departments and assume multiple responsibilities to serve various corporate needs.

Corporate universities and training/education entities had very similar order of importance in types of training courses, recipients of training, and training methods. However, the frequencies and percentage may vary partly due to the large difference of sample size between corporate universities and training/education entities. Due to the same reason, the training/education entities tended to have more variety than corporate universities.

Soft skills were the "hot" topic of training programs in both corporate universities and training/education entities. Specifically, communication skills, management development, and supervisory skills were the most common themes. The majority of the recipients of the training courses were internal employees of the organizations. All these concerns should be incorporated into academic preparation of HRD professionals who plan to work in corporate settings.

Further longitudinal research is recommended to investigate the development and changes of the status of corporate campuses.

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Guiding principles of Workforce Development

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Effective, efficient, comprehensive, and responsive workforce development systems are being increasingly recognized as integral parts of world-class economies. For the past decade, efforts have been underway in communities and states across the US to build workforce development systems that meet the needs of business, are responsive to all employable individuals, and which enhance local, regional, or national economic performance. This paper describes a set of 10 principles guiding the development of world-class workforce development systems. The principles grew out of a research project that identified and articulated the critical components of effective workforce development systems.

Increased global competition, rapidly evolving technology, dramatic changes in the demographics of the workforce, customer insistence on high quality products and services, growing workplace demands for more competent and skilled employees, and the need for long-term, stable economic growth all are all putting dynamic, new and complex pressures on the development of workplace expertise. Jobs today typically require a higher levels of knowledge, problem-solving, and technical skills than ever before to adapt to rapidly changing technology and markets. In many occupations, job requirements are growing progressively more demanding even at the entry level, so individuals without basic skills and competencies are having a difficult time finding and keeping jobs. As a result, there are increasing demands on children and young adults in school, new entrants to the workforce, and long-tenured employees to be better prepared for the future, to be educated to higher standards, and to be able to acquire the skills that will enable them to compete in a dynamic labor market. From a broader perspective, a well-trained, capable workforce is an integral component of organizational profitability. It is also a key factor in economic development because it helps communities, states, and nations attract and retain high-growth businesses. These and other factors have made it increasingly imperative that effective workforce development (WFD) systems be in place to foster the development of human resources.

Workforce development systems here are conceived of in the broadest sense. From this perspective, a) a key goal of WFD systems is to give all citizens the opportunity to be fully employed and have access to the development opportunities needed for a full and productive life; b) WFD systems explicitly address the work related development of all unemployed and employed persons; c) WFD systems offer organization and job specific development AND emphasize non-organization specific development such as basic skills, workplace literacy and career development; d) the nature of WFD systems means they are strongly influenced by their geo-political context, including social, political, economic and cultural forces.

Current WFD systems in the US have been criticized as being ineffective or underutilized as a means of encouraging growth and development at both the individual or organizational level. This is largely a function of the failure of WFD programs to impart the necessary skills, knowledge, attitudes, and abilities to match the needs of a dynamic workplace and the fragmented, uncoordinated nature of many of the current systems. A major consequence of the former has been the inability of WFD systems to enhance employment opportunities for its constituents or to help local employers compete more successfully in regional, national, and global economies. The latter is indicative of inefficient systems in which limited resources are poorly used and that force WFD customers to deal with an array of separate, categorical training and education programs. In short, current WFD systems are poorly integrated collections of programs and services, collections that are often as confusing to customers as they are inappropriate.

One of the most important priorities facing economic communities today is the transformation of current education and job training programs into comprehensive, integrated systems

that support expanded economic opportunity and growth. This paper describes a research project, conducted by the Louisiana State University School of Vocational Education-Human Resource Development Program, that undertook to identify and articulate the critical components high performance workforce development systems. The present paper summarizes the results of this research into a set of 10 core principles of WFD.

Method

There exists a substantial body of literature focusing on the theory, philosophy, methodology, and experiences of workforce development systems. The present study conducted an extensive literature review of this literature to identify key attributes of high performance workforce development systems. Information obtained from the review was synthesized into a draft document. The content validity of the document was established through a process of review and revision by a panel of experts. Nineteen experts from a wide variety of fields including economic development, program measurement, educational and occupational standards, political science, public administration, social work, psychology, vocational education, primary and secondary education, higher education, extension education, adult education, human resource development, management, and human ecology reviewed and suggested modifications to the initial document. The suggested modifications were evaluated and incorporated into the final document where appropriate.

Results

Results produced a set of 44 quality standards and accompanying performance criteria that reflect critical components of "world class" WFD systems (Holton, Bates, & Naquin, 1997). Although the number, detail and complexity of the standards and performance criteria precludes presentation in this format, their essence is effectively captured in a set of 10 core principles. These core principles, summarized below, represent the guiding principles of high performance WFD systems. They are seen as having application at the community, state or national level.

Guiding Principles of Workforce Development

1. *The development, management, and operation of the WFD system is based on system principles.*

System principles provide policy-makers, program managers, service providers, participants, and others a functionally important perspective from which to work in and analyze the complex and evolving environment of workforce development. The systems perspective is important because it specifies the need for relational thinking (Jacobs, 1988) to account for all the connections, interactions, and influences that affect WFD. It is also important because it assumes the problems and events that affect WFD systems are not isolated and random occurrences. Rather, they are "a result of antecedent conditions that can be predicted and controlled" (Jacobs, 1989, p. 30).

Briefly, system principles dictate that a) the WFD system is a collection of components that have a collective output, goals and mission; b) WFD system components influence and are influenced by the social, political, economic, and cultural environment in which they function; c) all WFD system components from the program, sub-system, and system level are interdependent, connected in an complementary, reinforcing, and organized manner; d) all workforce development components are organized to process inputs into outputs in the most efficient manner possible to assure that the system goals are achieved and the needs of customers satisfied; and e) system management focuses on how resources flow through processes to achieve stated goals.

2. *The WFD system provides an integrated, comprehensive education and training system.*

Comprehensive WFD systems encompass a wide range of education, training, and support components including some or all of those shown in Figure 1 on the following page. A major

Figure 1



problem with many WFD systems is the presence of numerous overlapping and duplicative education and training programs which are uncoordinated and which consequently waste significant resources. An integrated WFD system requires that all programs and institutions are linked in an articulated, sequential series of education and training activities that individuals can use to progress from relatively low knowledge and skill levels to higher knowledge and skill levels (Grubb, 1995; 1996a; 1996b; National Center on Education and the Economy, 1995). Articulation can begin as early as elementary school, include all education levels and extend to school-to-work programs, adult basic education, continuing education, work-based learning and so on (New York State Department of Labor, 1996; New Jersey State Employment and Training Commission, 1996). Integration of these various components is achieved through policy level coordination which includes coordinated program goals, benchmarks, performance objectives, quality standards, and consistent terminology. Effective integration requires the development and implementation of explicit linkages, such as articulation agreements detailing programmatic and credentialing system synthesis, between education and training systems, agencies, and programs. Such integration makes explicit the need for a process establishing inter-program and inter-agency communication, issue deliberation, planning, and consensus building (Trott & Baj, 1996). A key supporting component is an information management system that uses common terms and definitions, includes data elements that conform to a uniform set of criteria, and includes network linkages to facilitate inter-program and inter-agency communication (Workforce Coordinating Council, 1995).

3. *WFD systems are built on the principle of partnership.*

It is widely recognized that an effective public-private partnership is critical for the long-term success of WFD systems. Both public and private sectors must partner in setting goals, system coordination and oversight, the design of skills and certification systems, and the development of labor market and provider information systems. The principle of partnership explicitly dictates that a strategic planning process exists which supports the development of a public-private consensus on WFD system problems, goals, priorities, and defines how the system will achieve its goals and objectives over the short and long term.

An effective partnership is dependent on extensive business and industry participation in a wide range of activities. Unfortunately, little is known about what it takes to involve employers in

WFD activities or what strategies are effective for encouraging employer involvement in specific activities (Osterman, 1995). Despite a number of potential benefits to participation in WFD activities, such as development of a more skilled labor force, enhanced public relations, and the availability of low cost labor, many believe that gaining widespread cooperation of employers in WFD activities will be challenging. There are, for example, tradeoffs between required intensity of participation and willingness to participate (Bailey, 1995) in addition to barriers to employer involvement such as unacceptable costs, management opposition, and difficulties working with public sector education and training programs. Because private sector organizations will certainly weigh the benefits of participation against the costs, an incentive system designed to ensure that employers see value-added from participation should be in place. A number of possible incentives are possible (Holton, Bates, and Naquin, 1997).

4. *The WFD system is built on the twin principles of evaluation and accountability through outcome measurement and the development and implementation of performance standards for all provider sub-systems.*

The focus on performance measurement is designed to move WFD systems beyond simply monitoring, reporting, and the reviewing results against strategic plans, to a commitment to evaluate the efficiency and effectiveness of programs within the system and of the overall system itself. Evaluation links measurable objectives (both process and outcome), system expectations, and performance with system goals. It also provides a feedback link so that continuous improvement becomes an inherent component of the system. The principle of accountability focuses on results, the needs of customers, and on the market responsiveness of the system; directs management processes toward achieving results, not tracking inputs and processes; and establishes responsibility for outcomes.

Measurement is the core of any evaluation and accountability scheme. In the past, measures of success for various WFD programs have often been developed independently and have typically involved data elements and definitions that vary from program to program. Consequently, there was often little or no consensus on how to measure success across programs. The selection and definition of performance measures is critical. Performance measures should be:

- a) explicitly related to system goals and objectives;
- b) easily understood by all stakeholders including the general public;
- c) address key evaluative, planning, and policy decisions;
- d) defined so they do not have adverse or unintended consequences (e.g., different measures do not result in inequitable performance demands);
- e) defined so that performance has a direct effect on measures;
- f) defined so that performance is the primary influence on the measures.

5. *The WFD system design is based on sound performance management principles.*

Performance management integrates the systems perspective with evaluation and accountability. It is a key function for communicating direction, promoting policy coordination, defining roles, tracking and improving program and subsystem performance and allocating resources (Rummler & Brache, 1995; Sheets & Stevens, 1992). Developing an effective performance management system requires identification and assessment of key variables affecting WFD system performance. Performance management is an essential steering mechanism for governance in WFD programs. An effective performance management scheme establishes a framework of accountability that translates system goals and objectives into an analysis-design-development-implementation-evaluation cycle that includes a performance measurement strategy and a monitoring and reporting strategy (Baj, Sheets, & Trott, 1996). This cycle continually examines and validates quality standards (both process and outcome), diagnoses performance problems, and provides the impetus for establishing a continuous improvement process.

Because of the complexity surrounding WFD system design, it is necessary to use models to simplify and guide the process. The framework for the development of WFD systems presented

in Figure 2 on the following page adapts a model originally presented by Swanson (1994). This model provides both a conceptual guide to WFD system development as well as a theoretical underpinning for WFD system design standards. This model outlines three levels of performance (community, process, and citizen) matrixed with five performance variables (mission/goal, system design, capacity, motivation, and expertise). Improvement of WFD systems is dependent on a thorough understanding of these performance variables and their functioning at different levels of performance. The questions addressed in the matrix assist in the identification of WFD system deficiencies, disconnects, and advantages, provide a basis for continuous performance improvement, and a blueprint for designing and redesigning WFD systems.

6. *The WFD system is market oriented.*

This principle specifies that WFD needs are best addressed through market-oriented strategies. These strategies include:

a) Government adoption of the role of catalyst in WFD system investment, leveraging private sector investment and public-private ventures, and the use of incentives and sanctions designed to encourage private

Figure 2

Workforce Development System Performance Diagnosis Matrix (Adapted from Swanson, 1994)			
	Community Level	Process Level	Citizen Level
Mission/Goal	Do the community WFD goals reflect the current economic, political, and cultural forces?	Do the WFD processes enable the community to maintain a world class workforce and offer high quality jobs to citizens?	Are the professional and personal goals of citizens congruent with the community WFD goals?
System Design	Does the community provide structure, laws, and policies supporting WFD?	Are the WFD programs designed to work an integrated system?	Do citizens face obstacles that keep them from participating in the WFD systems, or impede their job performance?
Capacity	Does the community have the leadership, capital, programs and infrastructure to achieve its WFD system goals?	Does the WFD system have the capacity to meet the needs of employer and citizen customers in terms of quantity, quality and timeliness?	Do citizens have the basic mental, physical and emotional capacity to perform?
Motivation	Do the policies, culture, and reward systems support WFD?	Does the process provide the information and support factors to maintain it?	Do citizens want to develop high levels of work skills?
Expertise	Does the community establish and maintain policies and resource to select and prepare WFD providers?	Does the process of developing work expertise meet the demands of dynamic work environments?	Do the citizens have the knowledge, skills, attitudes, and experiences needed for high quality jobs?

sector investment and public-private cooperation.

b) The development of criteria and processes that establish the market-place validity of education and skill standards.

c) Invoking market principles such as customer empowerment that promote greater responsibility and control on the part of individual consumers in the management of their education,

training, and career development. One widely used strategy, for example, is to increase and improve a range of WFD information provided to individual consumers. A comprehensive consumer information system which provides consumers with a wide range of programmatic, service provider performance information, and economic development planning, labor market planning, and occupational supply and demand data will facilitate improved consumer decision-making (Workforce Coordinating Council, 1995). Other customer empowerment strategies include career development, career counseling, and case management systems that maximize the WFD system's value to individual consumers (Council of Great Lakes Governors, 1993) and providing individual consumers with more power to direct their investment in the WFD system (e.g., the use of direct consumer funding such as a voucher system) (Sheets & Stevens, 1992).

d) A component of managed competition or contestability. One major problem with many workforce preparation systems is the lack of contestability in service production arrangements. This has, in many cases, produced provider monopolies, restricted production arrangements, and preferred provider designations. Policies supporting contestability should include those stipulating separation between administration and service delivery (e.g., policies that define local public offices as separate service providers, a condition under which their position as provider could be challenged if performance standards are not met) or by policies that support the development and maintenance of a pool of potential service providers (Sheets & Stevens, 1992). In cases where there are small provider pools, policies favoring certain competitive contracting models may also provide an option for enhancing contestability (Hatry, Voytek, & Holmes, 1989).

e) Market oriented WFD systems have a quality, customer-service, and results-oriented focus. Achieving this means establishing a system of compatible outcome-based performance standards for all WFD programs. These standards play a central role in the performance management scheme and form the basis of supplier certification system. It is essential they be relevant to system goals, reflect both customer performance gains and attainment levels, and are consistent across programs. Market-oriented program and supplier standards should address three major performance areas: 1) trainee competency including measures of core academic competence (math, science, reading, writing), basic workplace competence (e.g., SCANS competencies), and occupational skills competence; 2) trainee outcomes such as employment or educational continuation or employment retention and earnings; and 3) customer satisfaction including measures of both trainee satisfaction and business/workplace satisfaction (Baj et al., 1996).

f) Finally, market oriented WFD systems require ongoing access to accurate information relating to stakeholder needs. This information provides the foundation for system effectiveness through change and adaptation. Systems, methodologies, and processes must be developed that provide continuous information on all stakeholder needs including the needs of individuals being served by the WFD system, consumers of the human resources produced by the system, service providers, the community, and other stakeholders.

7. *The WFD system is built on the principle of responsiveness to the economic and social goals of community.*

The success of other high performance WFD systems in the world, particularly those in Japan and Germany, underscore the importance of WFD policies and goals which accurately reflect community social, economic, and labor market values and goals (Marshall & Tucker, 1992). WFD policy and goals must be explicitly coordinated with a wide range of policies and goals including those addressing equity, racism, discrimination, and poverty; wage levels, wage spread, and employment levels; and those addressing economic development initiatives aimed at expanding or retaining existing businesses, attracting new business and industry, and the creation of new enterprises. A mutually reinforcing set of policies and goals will enable the WFD system to provide the greatest possible benefit for society. In practice, this means the creation of:

- a) mechanisms tying education and training goals and activities to economic development plans;
- b) mechanisms which tie education and training goals and activities to larger social goals of community (e.g., attainment for all of fundamental levels of literacy and basic skills);
- c) formal processes that drive consensus building.

8. *High performance WFD systems adopt a holistic, systems view of individual development.*

Each stage of a career brings with it new challenges and learning. The highly competitive global economy has rendered obsolete the old model of focusing on preparing people for career entry, assuming that organizations will take care of subsequent career related education and training. In today's workforce, continued career development is largely the responsibility of the individual. In addition, continuous change forces many individuals into multiple jobs and careers, bringing with it the need for re-careering and retraining. High performance WFD systems must be prepared to respond to the needs of individuals at all career stages.

In practice, this means the provision of opportunities for individuals to obtain a balanced set of skills including basic workplace literacy skills (e.g., SCANS skills), job-specific skills, and lifelong learning skills. It also means no single program can meet all of an individual's needs. Rather, individual development occurs through participation in a system of programs that address the needs of individuals in all stages of career growth and development including:

- a) job/career preparation;
- b) occupational entry;
- c) job retraining;
- d) re-careering; and
- e) career exit.

The implication is that although building task related knowledge and skills are vital aspects of WFD systems, building an effective workforce requires more. Holton (1996), for example, developed a model of individual development that explicitly recognizes that effective workplace entry requires a range of skills beyond simple task skill development. The model identifies four content domains for work related learning: individual, people, organization, and work tasks. At the individual level included are personal attitudes and values necessary for success in the workplace. The people domain addresses skills needed to be able to interact effectively in the work environment. This includes managing impressions, understanding and building effective relationships with people, and learning how to be an effective subordinate and to manage the supervisor relationship. In the organization domain, learning involves understanding organizational culture, informal systems and procedures, organizational politics, and the expectations the organization has for individuals in particular roles. The work task domain addresses task related knowledge and skills including the development of learning skills necessary for staying competent both now and in the future. This model provides a comprehensive guide for WFD programming and challenges secondary and post-secondary education to effectively extend their educational responsibility beyond task related knowledge and skills to more fully encompass the other three key domains.

9. *The workforce development system is responsive to individuals at all socioeconomic levels.*

Workforce development is not just a matter of serving currently employed, recently unemployed or underemployed individuals. Persons at all level of capability and potential are needed for a strong, vibrant workforce attractive to high-performance work organizations. The WFD system must assume responsibility for assuring that all individuals have the opportunity to obtain the basic skills and accompanying certification that will lead to employment and open the door for future knowledge and skill upgrading. It is therefore vital that the WFD system be flexible and responsive enough to meet the dynamic and diverse needs of the traditionally under-served segments of the population, including those who cannot attain the required knowledge, skills, and attitudes, and accompanying credentials or certification, through existing institutions. Consequently, systems, processes, and programs must be developed and implemented which identify and integrate into the workforce all individuals who, for whatever reason, have not been served or had access to the WFD system. In practice, this means:

- a) Policymakers focus on removing barriers which may make it difficult or impossible for individuals to enter and remain in the workforce. This could include the development of policies that attack discrimination against minorities, women, older workers, and the disabled; enhance access to child care services (e.g., develop a comprehensive child care policy for employer sponsored child

care); make child support enforcement more effective (Governor's Human Resources Advisory Council, 1992); facilitate the provision of accessible and affordable health care (e.g., employer-based health care insurance) (Bedford & Ganzglass, 1992); or develop family responsive employment policies such as those that facilitate the use of flextime or compressed workweek (Olmstead & Trippe, 1992).

b) Programs and services utilize simplified the intake processes; provide multiple access points for intake services for all programs (e.g., electronic access to intake processes through publicly accessible computer systems such as those in public libraries or telephone and mail access to intake services); assure all services are accessible by public transportation and to individuals with disabilities; and develop strong case management processes (e.g., ones in which customers are guided through the system by a single, well-trained case manager who works with all agencies and programs) (Governor's Human Resources Advisory Council, 1992).

c) Support services are established that work to remove all barriers to individual participation in the WFD system. Some of the most frequently reported barriers to participation, particularly for lower socio-economic citizens include the absence of access to health services, adult day care, and transportation.

10. *Continuous WFD system improvement.*

Although much has been learned from national and international experiences in workforce development, many key questions remain about the what and why of program effects on particular sub-groups, the variation of effects across settings, how to structure more effective programs, and the effects of entire delivery systems on broad populations and selected groups. For example, a number of critical questions remain unanswered about welfare-to-work programs (Gueron & Pauly, 1991), school-to-work programs and systems (Stern et al., 1994), and the impact of support services on participation, completion, or outcomes in WFD programs. Policies supporting ongoing research, particular experimental and quasi-experimental research, aimed at closing these and other knowledge gaps are critical to the continuous improvement of the WFD system.

Developing, implementing, and testing new approaches to workforce development preparation is also essential to the efficiency and effectiveness of a WFD system that operates in a highly dynamic environment. The establishment of programs that support research directed at key labor market problems, special populations, or which provide incentives to providers for adopting innovative programs and technologies enhances the market responsiveness of the system. For example, strong competitive grant programs which give service providers specific and detailed information about program specifications and competitive cost and quality standards would encourage the exploration of innovative strategies to meet performance objectives. Such programs may also defend against provider monopolies, particularly in areas where there are small numbers of providers, when complemented by consumer information and voucher systems that allow consumers to select services (Sheets & Stevens, 1992).

Conclusion

The principles summarized here offer a vision for workforce development that reflect 'best practices' for high performance WFD systems. The principles, and the standards and performance criteria from which they emerged, were formulated to guide WFD system planning and development at the local, regional, or national level. The intent of the principles is to establish standards of excellence that high performance WFD systems should strive to meet. Understanding these principles and their underlying rationale is vitally important for human resource development professionals for several reasons. First, the foundation qualities and capabilities of the human resource pool which organizations draw upon are acquired through the participation of individuals in workforce development systems. Therefore understanding the principles and mechanisms upon which effective WFD systems are built expands HRD's understanding of what is required to fully maximize individual and organizational performance. Stated differently, awareness of the core principles of WFD helps to locate the role of HRD in a larger context of workforce development and,

in so doing, promotes a more comprehensive understanding of the nature and practice of human resource development. Second, human resources will play an increasingly important role in the progress of the US economy as it moves further into the post-industrial era (Johnson & Packer, 1987). The efficiency and effectiveness with which WFD systems can develop these resources to meet the needs of a dynamic workplace will, in turn, play a direct role in how our economy grows and prospers. Because the wealth of organizations and nations as a whole are inextricably linked to the skills of its workforce, HRD has a fundamental interest and role in the how the qualities, capabilities, and practices of human resource development systems are designed and implemented. To the extent our knowledge and participation in this process means the human resources we work with are better prepared and more willing and capable to perform, then HRD will be more effective in promoting individual and organizational performance.

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